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TALLAHASSEE, FLORIDA**BASIC AMENDMENT****PEGASUS COMMUNICATIONS, INC.**

Certificate of Status	0
Certified Copy	1
Page Count	019
Estimated Charge	\$43.75

**\* File today Effective May 30, 2000 \***

VCM - 1520067.0049

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**AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
PEGASUS COMMUNICATIONS, INC.**

00 MAY 26 PM 3:56

SECRETARY OF STATE  
TALLAHASSEE, FLORIDAEFFECTIVE DATE  
5/30/00

Pursuant to the provisions of Sections 607.1003, 607.1006 and 607.1007 of the Florida Business Corporation Act, PEGASUS COMMUNICATIONS, INC. a Florida corporation, (the "Corporation"), pursuant to actions adopted by the Board of Directors of the Corporation by unanimous written consent, and approved by written consent of the holders of shares of capital stock of the Corporation representing the number of votes sufficient to approve the following amendments to its Articles of Incorporation, originally filed on May 11, 2000, hereby adopts the following Amended and Restated Articles of Incorporation as follows:

**ARTICLE I**

**Name and Principal Office of Corporation**

The name of this Corporation shall be PEGASUS COMMUNICATIONS, INC.  
The initial street address of the Corporation shall be 1001 Brickell Bay Drive, 27th Floor, Miami, Florida 33131.

**ARTICLE II**

**Nature of Business**

The general nature of the business and activities to be transacted and carried on by this Corporation is to transact all lawful business for which corporations may be incorporated under the Florida Business Corporation Act, as hereafter amended and supplemented, and any successor statute thereto, as thereafter amended and supplemented.

The general purposes specified in the foregoing clauses of this Article, unless expressly limited, shall not be limited or restricted by reference to, or inference from, any provisions in this or any other Article of these Articles of Incorporation, shall be regarded as independent purposes and shall be construed as powers as well as purposes.

**ARTICLE III**

**Stock**

The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares of Common Stock the Corporation shall have authority to issue is 100,000,000, par value \$0.01 per share.

The total number of shares of Preferred Stock the Corporation shall have authority to issue is 30,000,000, par value \$0.01 per share. The Preferred Stock may be issued in one or more series as shall from time to time be created and authorized by the Board of Directors, with such voting powers, full or limited, or no voting powers, and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereon as set forth in a resolution adopted by the Board of Directors of which 20,000 shares shall be Series A Convertible Preferred Stock, par value \$.01 per share (the "Preferred A Stock").

ARTICLE IV  
Designation of the Preferred A Stock

1. Designation. The 20,000 shares of Preferred A Stock shall have the following rights, terms and privileges:

2. Dividends.

(a) Dividends. The holders of the then outstanding shares of Preferred A Stock shall be entitled to receive, out of funds legally available therefor, cumulative annual dividends when and as may be declared from time to time by the Board of Directors of the Corporation at an annual rate per share equal to six percent (6%) of the original purchase price paid per share of the Preferred A Stock, such amount shall be compounded annually such that if the dividend is not paid for such period the unpaid amount shall be added to the original purchase price paid per share of the Preferred A Stock for purposes of calculating the succeeding period's dividends. Such dividends shall be deemed to accrue on the Preferred A Stock and be cumulative, whether or not earned or declared and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends. If such cumulative dividends in respect of any prior or current annual dividend period shall not have been declared and paid, or if there shall not have been a sum sufficient for the payment therefor set apart, the deficiency shall first be fully paid before any dividend or other distribution shall be paid or declared and set apart with respect to any class of the Corporation's capital stock, now or hereafter outstanding. Anything contained herein to the contrary notwithstanding, the accrued dividends shall be immediately due and payable upon the occurrence of any of the following events:

- (1) A Public Offering (as hereafter defined);
- (2) A sale of the Corporation;
- (3) A Reorganization (as hereafter defined); or
- (4) Conversion of all of the Preferred A Stock into Common Stock.

For purposes of this Section 2, unless the context requires otherwise, "distribution" shall mean the transfer of cash or property without consideration, whether by way of dividend or otherwise, or the purchase or redemption of shares of capital stock of the Corporation for cash or property, including any such transfer, purchase or redemption by a Subsidiary of the Corporation.

(b) Dividends in Kind. In the event the Corporation shall make or issue, or shall fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution with respect to the Common Stock payable in (i) securities of the Corporation other than shares of Common Stock or (ii) assets, then and in each such event the holders of Preferred A Stock shall receive, at the same time such distribution is made with respect to Common Stock, the number of securities or such other assets of the Corporation which they would have received had their Preferred A Stock been converted into Common Stock immediately prior to the record date for determining holders of Common Stock entitled to receive such distribution.

3. Liquidation, Dissolution or Winding Up

(a) Treatment at Liquidation, Dissolution or Winding Up.

(i) In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any distribution may be made with respect to the Common Stock or any other series of capital stock, holders of each share of Preferred A Stock shall be entitled to be paid out of the assets of the Corporation available for distribution to holders of the Corporation's capital stock of all classes, whether such assets are capital, surplus, or capital earnings, an amount equal to the greater of (i)(A) \$650 per share of Preferred A Stock (which amount shall be subject to equitable adjustment whenever there shall occur a stock split, combination, reclassification or other similar event involving the Preferred A Stock) and (B) all accrued and unpaid dividends thereon (allocated among the holders as provided in Section 2(a)), whether or not declared, since the date of issue up to and including the date full payment shall be tendered to the holders of the Preferred A Stock with respect to such liquidation, dissolution or winding up (collectively, the "Liquidation Amount") or (ii) such amount per share of Preferred A Stock as would have been payable had each such share been converted into Common Stock immediately prior to such event of liquidation, dissolution or winding up pursuant to the provisions of Section 5.

(ii) If the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Preferred A Stock the full amount of the Liquidation Amount to which they shall be entitled, the holders of shares of Preferred A Stock shall share ratably in any distribution of assets according to the amounts which would be payable with respect to the shares of Preferred A Stock held by them upon such distribution if all amounts payable on or with respect to said shares were paid in full.

(iii) After the payment of the Liquidation Amount shall have been made in full to the holders of the Preferred A Stock or funds necessary for such payment shall have been set aside by the Corporation in trust for the account of holders of the Preferred A Stock so as to be available for such payments, the holders of the Preferred A Stock shall be entitled to no further participation in the distribution of the assets of the Corporation, and the remaining assets of the Corporation legally available for distribution to its stockholders shall be distributed among the holders of other classes of securities of the Corporation in accordance with their respective terms.

(b) Treatment of Reorganizations. Any Reorganization shall be regarded as a liquidation, dissolution or winding up of the affairs of the Corporation within the meaning of this Section 3; provided, however, that each holder of Preferred A Stock shall have the right to elect the benefits of the provisions of Section 5(g) hereof, if applicable, in lieu of receiving payment of amounts payable upon liquidation, dissolution or winding up of the Corporation pursuant to this Section 3.

(c) Distributions in Cash. The Liquidation Amount shall in all events be paid in cash. Whenever a distribution provided for in this Section 3 is paid in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the members of the Corporation's board of directors.

4. Voting Power. Except as otherwise expressly provided in Section 8 hereof, or as required by law, each holder of Preferred A Stock shall be entitled to vote on all matters and shall be entitled to that number of votes equal to the largest number of whole shares of Common Stock into which such holder's shares of Preferred A Stock would then be convertible, pursuant to the provisions of Section 5 hereof, at the record date for the determination of stockholders entitled to vote on such matter or, if no such record date is established, at the date such vote is taken or any written consent of stockholders is solicited. Except as otherwise expressly provided herein or as required by law, the holders of shares of Preferred A Stock and Common Stock shall vote together as a single class on all matters. In all cases where the holders of shares of Preferred A Stock have the right to vote separately as a class as provided in Section 8 hereof, or as required by law, such holders shall be entitled to one vote for each share held by them.

5. Conversion Rights for the Preferred A Stock. The holders of the Preferred A Stock shall have following rights with respect to the conversion of the Preferred A Stock into shares of Common Stock:

(a) General. Subject to and in compliance with the provisions of this Section 5, any share of the Preferred A Stock may, at the option of the holder, be converted at any time into fully-paid and non-assessable shares of Common Stock. The number of shares of Common Stock to which a holder of Preferred A Stock shall be entitled upon conversion shall be the product obtained by multiplying the Applicable Conversion Rate (determined as provided in Section 5(b)) by the number of shares of Preferred A Stock being converted.

(b) Applicable Conversion Rate. The conversion rate in effect at any time (the "Applicable Conversion Rate") shall be the quotient obtained by dividing \$654.50 by the Applicable Conversion Value, calculated as provided in Section 5(c).

(c) Applicable Conversion Value. The Applicable Conversion Value shall be \$.55, except that such amount shall be adjusted from time to time in accordance with this Section 5.

(d) Adjustments to Applicable Conversion Values

(i) (A) Upon Sale of Common Stock. If the Corporation shall, while there are any shares of Preferred A Stock outstanding, issue or sell (or in accordance with Section 5(d)(i)(C) below is deemed to have issued or sold) shares of its Common Stock without consideration or at a price per share less than the Applicable Conversion Value in effect immediately prior to such issuance or sale, then in each such case such Applicable Conversion Value for the Preferred A Stock, upon each such issuance or sale, except as hereinafter provided, shall be lowered so as to be equal to an amount determined by multiplying the Applicable Conversion Value by a fraction:

(1) the numerator of which shall be (a) the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock, plus (b) the number of shares of Common Stock which the net aggregate consideration, if any, received by the Corporation for the total number of such additional shares of Common Stock so issued would purchase at the Applicable Conversion Value in effect immediately prior to such issuance, and

(2) the denominator of which shall be (a) the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock plus (b) the number of such additional shares of Common Stock so issued.

(B) Upon Issuance of Warrants, Options and Rights to Common Stock

(1) For the purposes of this Section 5(d)(i), the issuance of any warrants, options, subscriptions, or purchase rights with respect to shares of Common Stock and the issuance of any securities convertible into or exchangeable for shares of Common Stock (or the issuance of any warrants, options or any rights with respect to such convertible or exchangeable securities) shall be deemed an issuance of such Common Stock at such time if the Net Consideration Per Share (as hereinafter determined) which may be received by the Corporation for such Common Stock shall be less than the Applicable Conversion Value at the time of such issuance. Any obligation, agreement, or undertaking to issue warrants, options, subscriptions, or purchase rights at any time in the future shall be deemed to be an issuance at the time such obligation, agreement or undertaking is made or arises. No adjustment of the Applicable Conversion Value shall be made under this Section 5(d)(i) upon the issuance of any shares of Common Stock which are issued pursuant to the exercise of any warrants, options, subscriptions, or purchase rights or pursuant to the exercise of any conversion or exchange rights in any convertible securities if any adjustment shall previously have been made or deemed not required hereunder, upon the issuance of any such warrants, options, subscription or purchase rights or upon the issuance of any convertible securities (or upon the issuance of any warrants, options or any rights therefor) as provided above. If the Net Consideration Per Share of any such warrants, options, subscriptions, or purchase rights or convertible securities is decreased from time to time, then, upon the effectiveness of each such change, the Applicable Conversion Value shall be adjusted to such Applicable Conversion Value as would have obtained (1) had the adjustments made upon the issuance of such warrants,

options, rights, or convertible securities been made upon the basis of the decreased Net Consideration per share of such securities, and (2) had adjustments made to the Applicable Conversion Value since the date of issuance of such securities been made to the Applicable Conversion Value as adjusted pursuant to (1) above.

(2) For purposes of this paragraph, the "Net Consideration Per Share" which may be received by the Corporation shall be determined as follows:

(i) The "Net Consideration Per Share" shall mean the amount equal to the total amount of consideration, if any, received by the Corporation for the issuance of such warrants, options, subscriptions, or other purchase rights or convertible or exchangeable securities, plus the minimum amount of consideration, if any, payable to the Corporation upon exercise or conversion thereof, divided by the aggregate number of shares of Common Stock that would be issued if all such warrants, options, subscriptions, or other purchase rights or convertible or exchangeable securities were exercised, exchanged, or converted.

(ii) The "Net Consideration Per Share" which may be received by the Corporation shall be determined in each instance as of the date of issuance of warrants, options, subscriptions, or other purchase rights or convertible or exchangeable securities without giving effect to any possible future upward price adjustments or rate adjustments which may be applicable with respect to such warrants, options, subscriptions, or other purchase rights or convertible or exchangeable securities.

(D) Stock Dividends. In the event the Corporation shall make or issue a dividend or other distribution payable in Common Stock or securities of the Corporation convertible into or otherwise exchangeable for the Common Stock of the Corporation, then such Common Stock or other securities issued in payment of such dividend shall be deemed to have been issued without consideration (except for dividends payable in shares of Common Stock payable pro rata to holders of Preferred A Stock and to holders of any other class of stock).

(E) Consideration Other than Cash. For purposes of this Section 5(d), if a part or all of the consideration received by the Corporation in connection with the issuance of shares of the Common Stock or the issuance of any of the securities described in this Section 5(d) consists of property other than cash, such consideration shall be deemed to have a fair market value as is reasonably determined in good faith by the members of the Board of Directors of the Corporation.

(F) Exceptions. This Section 5(d)(i) shall not apply under any of the circumstances which would constitute an Extraordinary Common Stock Event (as hereinafter defined in Section 5(d)(ii)). Further, the provisions of this Section 5(d) shall not apply to (i) shares issued upon conversion of the Preferred A Stock, (ii) options (and the shares issuable upon exercise thereof) to purchase up to an aggregate of 369,098 shares of Common Stock (including options outstanding on the date hereof) issued to

employees of the Corporation, as provided in Section 7.7 of that certain Securities Purchase Agreement, dated as of May 31, 2000 (the "Securities Purchase Agreement") or (iii) shares issued upon exercise of warrants issued to the Corporation's institutional lenders. The number of shares in this Section (F) shall be proportionately adjusted to reflect any stock dividend, stock split or other form of recapitalization occurring after the date hereof.

(ii) Upon Extraordinary Common Stock Event. Upon the happening of an Extraordinary Common Stock Event (as hereinafter defined), the Applicable Conversion Value for the Preferred A Stock shall, simultaneously with the happening of such Extraordinary Common Stock Event, be adjusted by multiplying the then effective Applicable Conversion Value with respect to the Preferred A Stock by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such Extraordinary Common Stock Event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such Extraordinary Common Stock Event, and the product so obtained shall thereafter be the Applicable Conversion Value. The Applicable Conversion Value for the Preferred A Stock shall be readjusted in the same manner upon the happening of any successive Extraordinary Common Stock Event or Events. "Extraordinary Common Stock Event" shall mean (i) the issue of additional shares of Common Stock as a dividend or other distribution on outstanding Common Stock or on any class or series of preferred stock, unless made pro rata to holders of Preferred A Stock, (ii) a subdivision of outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) a combination of outstanding shares of the Common Stock into a smaller number of shares of Common Stock.

(e) Dividends. In the event the Corporation shall make or issue, or shall fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution with respect to the Common Stock payable in (i) securities of the Corporation other than shares of Common Stock or (ii) assets, then and in each such event the holders of Preferred A Stock shall receive, at the same time such distribution is made with respect to Common Stock, the number of securities or such other assets of the Corporation which they would have received had their Preferred A Stock been converted into Common Stock immediately prior to the date of such distribution.

(f) Capital Reorganization or Reclassification. If the Common Stock issuable upon the conversion of the Preferred A Stock shall be changed into the same or different number of shares of any class or classes of stock, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 5 or by a Reorganization), then and in each such event, the holder of each share of Preferred A Stock shall have the right thereafter to convert such share into the kind and amount of shares of stock and other securities and property receivable upon such capital reorganization, reclassification or other change by holders of the number of shares of Common Stock into which such shares of Preferred A Stock might have been converted immediately prior to such capital reorganization, reclassification or other change.

(g) Capital Reorganization, Merger or Sale of Assets. If at any time or from time to time there shall be a capital reorganization of the Common Stock (other than a



subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 5) or a merger or consolidation of the Corporation with or into another corporation, or the sale of all or substantially all of the Corporation's properties and assets to any other person, or any transaction or series of related transactions in which more than fifty percent (50%) of the outstanding voting securities of the Corporation (on an as converted basis) is sold or assigned (any of which events is herein referred to as a "Reorganization"), then as a part of such Reorganization, provision shall be made so that the holders of the Preferred A Stock shall thereafter be entitled to receive upon conversion of the Preferred A Stock, the number of shares of stock or other securities or property of the Corporation, or of the successor corporation resulting from such Reorganization, to which such holder would have been entitled if such holder had converted its shares of Preferred A Stock immediately prior to such Reorganization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the holders of the Preferred A Stock after the Reorganization, to the end that the provisions of this Section 5 (including adjustment of the Applicable Conversion Value then in effect and the number of shares issuable upon conversion of the Preferred A Stock) shall be applicable after that event in as nearly equivalent a manner as may be practicable.

Except as otherwise provided in Section 3(b), upon the occurrence of a Reorganization, under circumstances which make the preceding paragraph applicable, each holder of Preferred A Stock shall have the option of electing treatment for his shares of Preferred A Stock under either this Section 5(g) or Section 3 hereof, notice of which election shall be submitted in writing to the Corporation at its principal offices no later than five (5) business days before the effective date of such Reorganization.

(h) Certificate as to Adjustments; Notice by Corporation. In each case of an adjustment or readjustment of the Applicable Conversion Rate, the Corporation at its expense will furnish each holder of Preferred A Stock with a certificate, executed by the president and chief financial officer (or in the absence of a person designated as the chief financial officer, by the treasurer) showing such adjustment or readjustment, and stating in detail the facts upon which such adjustment or readjustment is based.

(i) Exercise of Conversion Privilege. To exercise its conversion privilege, a holder of Preferred A Stock shall surrender the certificate or certificates representing the shares being converted to the Corporation at its principal office, and shall give written notice to the Corporation at that office that such holder elects to convert such shares. Such notice shall also state the name or names (with address or addresses) in which the certificate or certificates for shares of Common Stock issuable upon such conversion shall be issued. The certificate or certificates for shares of Preferred A Stock surrendered for conversion shall be accompanied by proper assignment thereof to the Corporation or in blank. The date when such written notice is received by the Corporation, together with the certificate or certificates representing the shares of Preferred A Stock being converted, shall be the "Conversion Date." As promptly as practicable after the Conversion Date, the Corporation shall issue and shall deliver to the holder of the shares of Preferred A Stock being converted, or on its written order, such certificate or certificates as it may request for the number of whole shares of Common Stock issuable upon the conversion of such shares of Preferred A Stock in accordance with the provisions of this Section 5, and cash, as provided in Section 5(j), in respect of any fraction of a share of Common Stock issuable upon

such conversion. Such conversion shall be deemed to have been effected immediately prior to the close of business on the Conversion Date, and at such time the rights of the holder as holder of the converted shares of Preferred A Stock shall cease and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares of Common Stock represented thereby. The Corporation shall pay any taxes payable with respect to the issuance of Common Stock upon conversion of the Preferred A Stock, other than any taxes payable with respect to income by the holders thereof.

(j) Cash in Lieu of Fractional Shares. The Corporation may, if it so elects, issue fractional shares of Common Stock or scrip representing fractional shares upon the conversion of shares of Preferred A Stock. If the Corporation does not elect to issue fractional shares, the Corporation shall pay to the holder of the shares of Preferred A Stock which were converted a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the market price per share of the Common Stock (as determined in a reasonable manner prescribed by the Board of Directors) at the close of business on the Conversion Date. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of shares of Preferred A Stock being converted at any one time by any holder thereof, not upon each share of Preferred A Stock being converted.

(k) Partial Conversion. In the event some but not all of the shares of Preferred A Stock represented by a certificate or certificates surrendered by a holder are converted, the Corporation shall execute and deliver to or on the order of the holder, at the expense of the Corporation, a new certificate representing the number of shares of Preferred A Stock which were not converted.

(l) Reservation of Common Stock. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred A Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Preferred A Stock, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred A Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(m) Minimum Adjustment. Any provision of this Section 5 to the contrary notwithstanding, no adjustment in the Applicable Conversion Value shall be made if the amount of such adjustment would be less than 1% of the Applicable Conversion Value then in effect, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with all amounts so carried forward, aggregates 1% or more of the Applicable Conversion Value then in effect.

6. No Reissuance of Preferred A Stock. No share or shares of Preferred A Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be canceled, retired and eliminated from the shares which the

Corporation shall be authorized to issue. The Corporation may from time to time take such appropriate corporate action as may be necessary to reduce the authorized number of shares of the Preferred A Stock accordingly.

7. Redemption

(a) Optional Redemption Upon Qualified Public Offering. Effective upon the closing of a Qualified Public Offering (as hereinafter defined), all but not less than all of the then outstanding Preferred A Stock shall be subject to redemption by the Corporation, at its election, at a redemption price (the "Corporation Redemption Price") for each share of Preferred A Stock redeemed pursuant to this Section 7(a) equal to the Liquidation Amount (including all accrued but unpaid dividends, whether or not declared) with the amount of accrued dividends due thereon to be calculated and paid through the date payment is actually made to the holders of the Preferred A Stock with respect to such redemption. The Corporation shall give the holders of the Preferred A Stock thirty (30) days' written notice of the pendency of a Qualified Public Offering and, if it so elects, of its election to redeem under this Section 7(a). Such notice shall be mailed by the Corporation, postage prepaid, to each holder of record of Preferred A Stock at its address shown on the records of the Corporation. If the Corporation elects to redeem the Preferred A Stock, such election shall be irrevocable on the part of the Corporation unless such Qualified Public Offering shall not occur. The Corporation Redemption Price shall be paid at the closing of the Qualified Public Offering and shall be paid in cash. For purposes hereof, the term "Qualified Public Offering" shall mean an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering the offer and sale of Common Stock for the account of the Corporation in which the aggregate net proceeds to the Corporation equal at least \$30,000,000 and in which the price per share of Common Stock is at least two and one half (2.5) times the then applicable Conversion Value of the Preferred A Stock.

(b) Optional Redemption by Holders Upon Public Offering. Effective upon the closing of a Public Offering (as hereinafter defined), including a Qualified Public Offering in which the Corporation does not elect to redeem all of the Preferred A Stock as provided above, the holders of at least fifty-one percent (51%) of the then outstanding shares of Preferred A Stock (the "Requesting Holders") may require the Corporation to redeem any or all of the Preferred A Stock then held by such holders. Such request (the "Redemption Request") shall be submitted to the Corporation in writing within twenty (20) days after the receipt by the holders of the Preferred A Stock of (i) in the case of a Qualified Public Offering, the notice of the pendency of a Qualified Public Offering from the Corporation as provided in Section 7(a) above, in which notice the Corporation does not elect to redeem the Preferred A Stock or (ii) in the case of a Public Offering which does not constitute a Qualified Public Offering, the notice of the pendency of the Public Offering required to be delivered below. The Redemption Request shall be irrevocable on the part of the Requesting Holders unless the Public Offering shall not occur. The redemption price of each share of Preferred A Stock redeemed pursuant to this paragraph shall be equal to the greater of (i) the Liquidation Amount or (ii) fair market value thereof, as of the date of such proposed redemption, as determined, at the Corporation's sole expense, by a nationally recognized investment banking firm (mutually acceptable to both the Corporation and the Requesting Holders), taking into account, in valuing such shares, all relevant facts and

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circumstances; provided, however, that (i) there shall be no discount to reflect the fact that the shares represent a minority interest in the Corporation and (ii) in no event shall the aggregate purchase price to be paid for such Shares being redeemed be less than the original purchase price paid by the Requesting Holders therefor (as adjusted to reflect any stock split, stock dividend or other form of recapitalization), together with all accrued and unpaid dividends (whether or not declared) thereon to be calculated and paid through and including the date of redemption (the "Holder Redemption Price"). Upon receipt of a Redemption Request, the Corporation shall promptly give notice thereof (the "Holder Redemption Notice") to each holder of Preferred A Stock. Such Holder Redemption Notice shall specify the number of shares of Preferred A Stock covered by the Redemption Request and the Holder Redemption Price to be paid with respect thereto. Any holder of Preferred A Stock who wishes to join in the Redemption Request may do so by so advising the Corporation in writing within fifteen (15) days after receipt of the Holder Redemption Notice specified in the preceding sentence. No holder of Preferred A Stock shall be required to participate in such redemption. The Corporation shall redeem all shares of Preferred A Stock covered by the Redemption Request (including those held by holders who have requested a redemption following receipt of the Holder Redemption Notice) at a closing to be held upon the closing of the Public Offering. At the closing, the Corporation shall pay for the shares of Preferred A Stock so redeemed in an amount equal to the Holder Redemption Price, payable in cash. For purposes hereof, the term "Public Offering" shall mean an underwritten public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale of Common Stock of the Corporation. If the Public Offering will not constitute a Qualified Public Offering, the Corporation shall give the holders of the Preferred A Stock thirty (30) days' written notice of the pendency of the Public Offering. Such notice shall be mailed by the Corporation, postage prepaid, to each holder of record of Preferred A Stock at its address shown on the records of the Corporation.

Nothing contained in Section 7(a) or 7(b) shall in any way restrict or prohibit the holders of the Preferred A Stock from exercising their conversion rights pursuant to Section 5 hereof prior to the effective date of the redemption to be effected hereunder; provided, however, that any such conversion under Section 7(a) or 7(b) may be subject to the closing of the Public Offering.

(c) Optional Redemption by the Holder Following Default.

(i) Upon the occurrence of an Event of Default (after the expiration of the applicable cure period, if any) under the Securities Purchase Agreement, any of such events referred to herein as an "Event of Default," then the holders of at least fifty-one percent (51%) of the then outstanding shares of Preferred A Stock at their option, by written notice to the Corporation may request the Corporation to redeem any or all of the shares of Preferred A Stock then held by such holders at the Holder Redemption Price. Such request (the "Default Redemption Request") shall be submitted to the Corporation in writing within thirty (30) days after the thirty-first day following the commencement of the Event of Default. No cure of such Event of Default during such thirty (30) day period shall vitiate such Default Redemption Request and the failure to make such a Default Redemption Request within such thirty (30) day period shall not result in the waiver of such remedy.

(ii) Upon receipt of a Default Redemption Request, the Corporation shall promptly give notice thereof (the "Default Redemption Notice") to each holder of Preferred A Stock. Such Default Redemption Notice shall specify the number of shares of Preferred A Stock covered by the Default Redemption Request and the Holder Redemption Price to be paid with respect thereto. Any holder of Preferred A Stock who wishes to join in the Default Redemption Request may do so by so advising the Corporation in writing within fifteen (15) days after receipt of the Default Redemption Notice specified in the preceding sentence. No holder of Preferred A Stock, except for the Requesting Holders, shall be required to participate in such redemption. The Corporation shall redeem all shares of Preferred A Stock covered by the Default Redemption Request (including those held by holders who have requested a redemption following receipt of the Default Redemption Notice) at a closing to be held not more than thirty (30) days after the date of the Default Redemption Request. At the closing, the Corporation shall pay for the shares of Preferred A Stock so redeemed in an amount equal to the Holder Redemption Price, payable in cash. If the Corporation is unable by law, contract or otherwise to redeem the Preferred A Stock in accordance with this Section 7(c) after an Event of Default, the holders of a majority of the shares of Preferred A Stock shall have the right to elect a majority of the members of the Corporation's Board of Directors as provided in the Stockholders Agreement and cause a sale of the Corporation.

(d) Optional Redemption by Holders on Final Redemption Date. At the election of the holders of at least fifty-one percent (51%) of the then outstanding shares of Preferred A Stock, the Corporation shall, to the extent it may do so under applicable law, redeem pro rata from all holders of Preferred A Stock on May 31, 2005 the shares of Preferred A Stock outstanding on the date of such redemption (the "Final Redemption Date"). The Corporation shall give the holders of the Preferred A Stock at least ninety (90) days' notice of the Final Redemption Date (the "Final Redemption Notice"). In the event that the Corporation does not provide the Final Redemption Notice, the option of the holders of the Preferred A Stock to require the Corporation to redeem the remaining shares of Preferred A Stock on the Final Redemption Date shall be extended beyond the Final Redemption Date to a date which is ninety (90) days from the date that the Corporation mails the Final Redemption Notice. In the event shares of Preferred A Stock Scheduled for redemption are not redeemed because of a prohibition under applicable law, such shares shall be redeemed as soon as such prohibition no longer exists. The redemption price for each share of Preferred A Stock redeemed pursuant to this Section 7(d) shall be equal to the Holder Redemption Price. In the event that the holders of the Preferred A Stock do not elect to have the Preferred A Stock redeemed pursuant to this Section 7(d), the shares of Preferred A Stock shall remain outstanding and subject to the rights and preferences contained herein.

(e) Redemption Notice. If an election is made pursuant to Section 7(d) hereof, written notice of such election shall be mailed, postage prepaid, to the Corporation, not later than sixty (60) days before the date fixed for each redemption pursuant to Section 7(d) or, in the event the Corporation does not provide the Final Redemption Notice pursuant to Section 7(d) hereof, not later than sixty (60) days before the date that the Final Redemption Date has been extended as provided in Section 7(d) (each of the dates fixed for redemption and the extended redemption date is hereinafter referred to as a "Redemption Date"). If such election is made and appropriate notice is given then, at least forty-five (45) days before the Redemption Date, written notice

(hereinafter referred to as the "Redemption Notice") shall be mailed by the Corporation, postage prepaid, to each holder of record of Preferred A Stock at its address shown on the records of the Corporation; provided, however, that the Corporation's failure to give such Redemption Notice shall in no way affect its obligation to redeem the shares of Preferred A Stock or the right of the holders to redeem their shares of Preferred A Stock as provided in Section 7(d) hereof. The Redemption Notice shall contain (i) the number of shares of Preferred A Stock held by the holder and the total number of shares of Preferred A Stock held by all holders subject to redemption as of such Redemption Date; and (ii) the Redemption Date and the applicable Holder Redemption Price. Any holder of Preferred A Stock who wishes to do so may, by giving notice to the Corporation prior to the Redemption Date, convert into Common Stock any or all of the shares of Preferred A Stock held by him and Scheduled for redemption on such Redemption Date.

(f) Surrender of Certificates. Each holder of shares of Preferred A Stock to be redeemed under this Section 7 shall surrender the certificate or certificates representing such shares to the Corporation at the place designated in the Redemption Notice, and thereupon the Corporation Redemption Price or Holder Redemption Price, as the case may be, for such shares as set forth in this Section 7 shall be paid to the order of the person whose name appears on such certificate or certificates. Irrespective of whether the certificates therefor shall have been surrendered, all shares of Preferred A Stock which are the subject of a Redemption Notice shall be deemed to have been redeemed and shall be canceled effective as of the Redemption Date, unless the Corporation shall default in the payment of the applicable Redemption Price.

8. Restrictions and Limitations.

(a) Corporate Securities Action. Except as expressly provided herein or as required by law, so long as any shares of Preferred A Stock remain outstanding, the Corporation shall not, and shall not permit any subsidiary (which shall mean any corporation, association or other business entity which the Corporation and/or any of its other subsidiaries directly or indirectly owns at the time more than fifty percent (50%) of the outstanding voting shares of such corporation or trust, other than directors' qualifying shares) to, without the approval by vote or written consent by the holders of at least a Majority of the shares of Preferred A Stock, voting as a separate class, to:

(i) redeem, purchase or otherwise acquire for value (or pay into or set aside for a sinking fund for such purpose), or declare and pay or set aside funds for the payment of any dividend with respect to, any share or shares of capital stock, except as required or permitted hereunder or under the terms of the Securities Purchase Agreement;

(ii) authorize or issue, or obligate itself to authorize or issue, additional shares of Preferred A Stock;

(iii) authorize or issue, or obligate itself to authorize or issue, any equity security senior to or pari passu with the Preferred A Stock as to liquidation preferences, dividend rights, or voting rights;

(iv) merge or consolidate with any other corporation or sell, assign, lease or otherwise dispose of or voluntarily part with the control of (whether in one transaction or in a series of transactions) all, or substantially all, of its assets (whether now owned or hereinafter acquired), or consent to any liquidation, dissolution or winding up of the Corporation, or permit any subsidiary to do any of the foregoing, except that (A) any wholly-owned subsidiary may merge into or consolidate with or transfer assets to any other wholly-owned subsidiary, and (B) any wholly-owned subsidiary may merge into or transfer assets to the Corporation; or

(v) amend, restate, modify or alter the by-laws of the Corporation in any way which adversely affects the rights of the holders of the Preferred A Stock.

(b) Amendments to Charter. The Corporation shall not amend its certificate of incorporation without the approval, by vote or written consent, by the holders of at least a majority of the then outstanding shares of Preferred A Stock, if such amendment would amend any of the rights, preferences, privileges or limitations provided for herein for the benefit of any shares of Preferred A Stock. Without limiting the generality of the preceding sentence, the Corporation shall not amend its certificate of incorporation without the approval by the holders of at least a majority of the then outstanding shares of Preferred A Stock if such amendment would:

(i) change the relative seniority rights of the holders of the Preferred A Stock as to the payment of dividends in relation to the holders of any other capital stock of the Corporation, or create any other class or series of capital stock entitled to seniority as to the payment of dividends in relation to the holders of the Preferred A Stock;

(ii) reduce the amount payable to the holders of Preferred A Stock upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, or change the relative seniority of the liquidation preferences of the holders of the Preferred A Stock to the rights upon liquidation of the holders of other capital stock of the Corporation, or change the dividend rights of the holders of the Preferred A Stock;

(iii) cancel or modify the conversion rights of the holders of the Preferred A Stock provided for in Section 5 herein;

(iv) cancel or modify the redemption rights of the holders of the Preferred A Stock provided for in Section 7 herein; or

(v) cancel or modify the rights of the holders of the Preferred A Stock provided for in this Section 8.

9. No Dilution or Impairment. The Corporation shall not, by amendment of its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of the Preferred A Stock set forth herein, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the holders of the Preferred A Stock against dilution or other impairment. Without limiting the

generality of the foregoing, the Corporation (a) shall not increase the par value of any shares of stock receivable on the conversion of the Preferred A Stock above the amount payable therefor on such conversion, (b) shall take all such action as may be necessary or appropriate in order that the Corporation may validly and legally issue fully paid and nonassessable shares of stock on the conversion of all Preferred A Stock from time to time outstanding, and (c) shall not consolidate with or merge into any other person or permit any such person to consolidate with or merge into the Corporation (if the Corporation is not the surviving person), unless such other person shall expressly assume in writing and will be bound by all of the terms of the Preferred A Stock set forth herein.

10. Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, or

(a) any capital reorganization of the Corporation, any reclassification or recapitalization of the capital stock of the Corporation, any merger of the Corporation, or any transfer of all or substantially all of the assets of the Corporation to any other corporation, or any other entity or person, or

(b) any voluntary or involuntary dissolution, liquidation or winding up of the Corporation,

then and in each such event the Corporation shall mail or cause to be mailed to each holder of the Preferred A Stock a notice specifying (i) the date on which any such record is to be taken for the purpose of such dividend, distribution or right and a description of such dividend, distribution or right, (ii) the date on which any such reorganization, reclassification, recapitalization, transfer, merger, dissolution, liquidation or winding up is expected to become effective and (iii) the time, if any, that is to be fixed, as to when the holders of record of the Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such reorganization, reclassification, recapitalization, transfer, merger, dissolution, liquidation or winding up. Such notice shall be mailed at least ten (10) business days prior to the date specified in such notice on which such action is to be taken.

#### ARTICLE V Incorporator

The name and street address of the Incorporator of this Corporation is as follows:

Kori L. Ogrosky  
White & Case LLP  
200 S. Biscayne Boulevard, Suite 4900  
Miami, Florida 33131



**ARTICLE VI**  
**Term of Corporate Existence**

This Corporation shall exist perpetually unless dissolved according to law.

**ARTICLE VII**  
**Address of Registered Office and Registered Agent**

The street address of the initial registered office of this Corporation in the State of Florida shall be c/o H.I.G. Capital LLC, 1001 Brickell Bay Drive, 27th Floor, Miami, Florida 33131. The name of the initial Registered Agent of this Corporation at the above address shall be Arthur Heller.

**ARTICLE VIII**  
**Initial Board of Directors**

The names and street addresses of the members of the initial Board of Directors of this Corporation, who shall hold office until the First Annual Meeting of Shareholders, and thereafter until their successors are elected and have qualified, are as follows:

Sami Mnaymneh  
H.I.G. Capital LLC  
1001 Brickell Bay Drive, 27th Floor  
Miami, Florida 33131

Douglas Berman  
H.I.G. Capital LLC  
1001 Brickell Bay Drive, 27th Floor  
Miami, Florida 33131

Arthur Heller  
H.I.G. Capital LLC  
1001 Brickell Bay Drive, 27th Floor  
Miami, Florida 33131

**ARTICLE IX**  
**By-Laws**

The Board of Directors shall adopt By-Laws for the Corporation. The By-Laws may be amended, altered or repealed by the shareholders or Directors in any manner permitted by the By-Laws.

**ARTICLE X**  
**Indemnification**

A director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except to the extent that such exemption from liability or limitation thereof is not permitted under the Florida Business Corporation Act as currently in effect or as the same may hereafter be amended. No amendment or repeal of this Article IX made by virtue of any change in the Florida Business Corporation Act after the date hereof shall adversely affect any right or protection of a director that exists at the time of such amendment, modification or repeal on account of any action taken or any failure to act by such director prior to such time.

**ARTICLE XI**  
**Amendment**

These Amended and Restated Articles of Incorporation may be amended in any manner now or hereafter provided for by law and all rights conferred upon shareholders hereunder are granted subject to this reservation.

**ARTICLE XII**  
**Preemptive Rights**

There shall be no preemptive rights, except as provided in the Securities Purchase Agreement, dated as of May 31, 2000, by and among the Corporation and certain investors.

**ARTICLE XIII**  
**Effective Date**

These Amended and Restated Articles of Incorporation shall be effective on May 30, 2000.

FROM WHITE & CASE LLP

(FRI) 5. 26' 00.15:09/ST. 14:56/NO. 4862406874 P 19  
Fax Audit No. H00000028997 5

IN WITNESS WHEREOF, I have set my hand and seal, acknowledged and executed the foregoing Amended and Restated Articles of Incorporation of the Corporation under the laws of the State of Florida, this 26th day of May, 2000.

By:   
Arthur Heller, Director and  
Vice President